



January 21, 2021

The Value of GREEN LEASING



Today's Moderator



Andrew White
RE Tech Advisors

Agenda

- 1 Welcome and Introductions
- 2 Green Leasing Overview
- 3 Urban Land Institute: Tenant Energy Optimization Program
- 4 The Tower Companies: Green Leasing in Multifamily Housing
- 5 AMLI Residential: Sustainability Program
- 6 Q&A Session

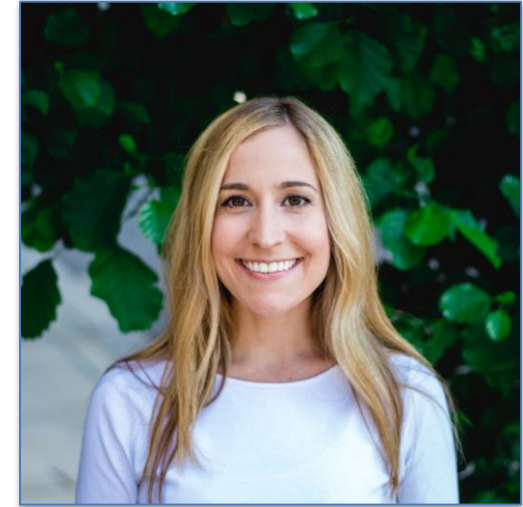
Today's Presenters



Emily Pierce
Urban Land Institute



Jonathan Bauer
The Tower Companies



Erin Hatcher
AMLI Residential

The Split Incentive: A Tale as Old as Time



In Multifamily, it's often the case that the **owner would pay** for an energy efficiency project, but the **resident would experience the benefit**

The Solution: Green Leases and Programs that Support Adoption

- **Green leases:**
 - Equitably align costs and benefits of investments in sustainability
 - Creates win-win agreements for owners and tenants
- **Key elements:**
 - Implement energy efficiency improvements during unit turns
 - Transparency - provide a sustainability contact, track and share utility data!
 - Standardizing efficient building operations



GREEN LEASE LEADERS
CREATING SUSTAINABLE LANDLORD-TENANT RELATIONSHIPS

<https://www.greenleaseleaders.com/>



https://www.energystar.gov/buildings/tenants/about_tenant_space



<https://tenantenergy.uli.org/>



The Green Leasing Opportunity





Emily Pierce

Urban Land Institute

The background of the slide is a photograph of a modern, minimalist bedroom. It features a large bed with white linens and a grey headboard, a small round table with a laptop, a sofa with colorful pillows, and a large window with beige curtains. A pendant light hangs above the bed. The image is dimmed to allow text to be overlaid.

EMILY PIERCE

DIRECTOR, ULI GREENPRINT CENTER FOR BUILDING PERFORMANCE

THE VALUE OF GREEN LEASING

ULI Greenprint - Reducing Carbon, Building Value

Worldwide alliance of **leading real estate owners and financial institutions** committed to improving the **environmental performance** of buildings

Member-driven initiative with the **goal** to reduce carbon emissions **50% by 2030** and achieve **net zero carbon operations by 2050**

Includes **44+ companies** representing 10,000+ properties totaling 220 million square meters across **32 countries**

Share best practices and promote the business case for green buildings with the broader ULI membership



ULI Greenprint Members



Tenant Energy Optimization Program (TEOP)

10 Steps for Multifamily Owners, Operators, and Investors to Achieve Energy Optimization in Residential Units

1. Select a team
2. Baseline and benchmark assets and units
3. Set utility use and performance goals for residential units
4. Model utility reduction options
5. Calculate projected financial returns
6. Make final decisions
7. Develop a resident occupancy maintenance and operations plan
8. Retrofit the unit(s)
9. Execute the resident occupancy maintenance and operations plan
10. Communicate the results



Phase I: Pre-Lease

1. Select a team
2. Baseline and benchmark assets and units





Phase II: Design and Construction

3. Set utility use and performance goals for residential units
4. Model utility reduction options
5. Calculate projected financial returns
6. Make final decisions
7. Develop a resident occupancy maintenance and operations plan
8. Retrofit the unit(s)

Phase III: Post-Occupancy

9. Execute the resident occupancy maintenance and operations plan
10. Communicate the results





Jonathan Bauer

The Tower Companies

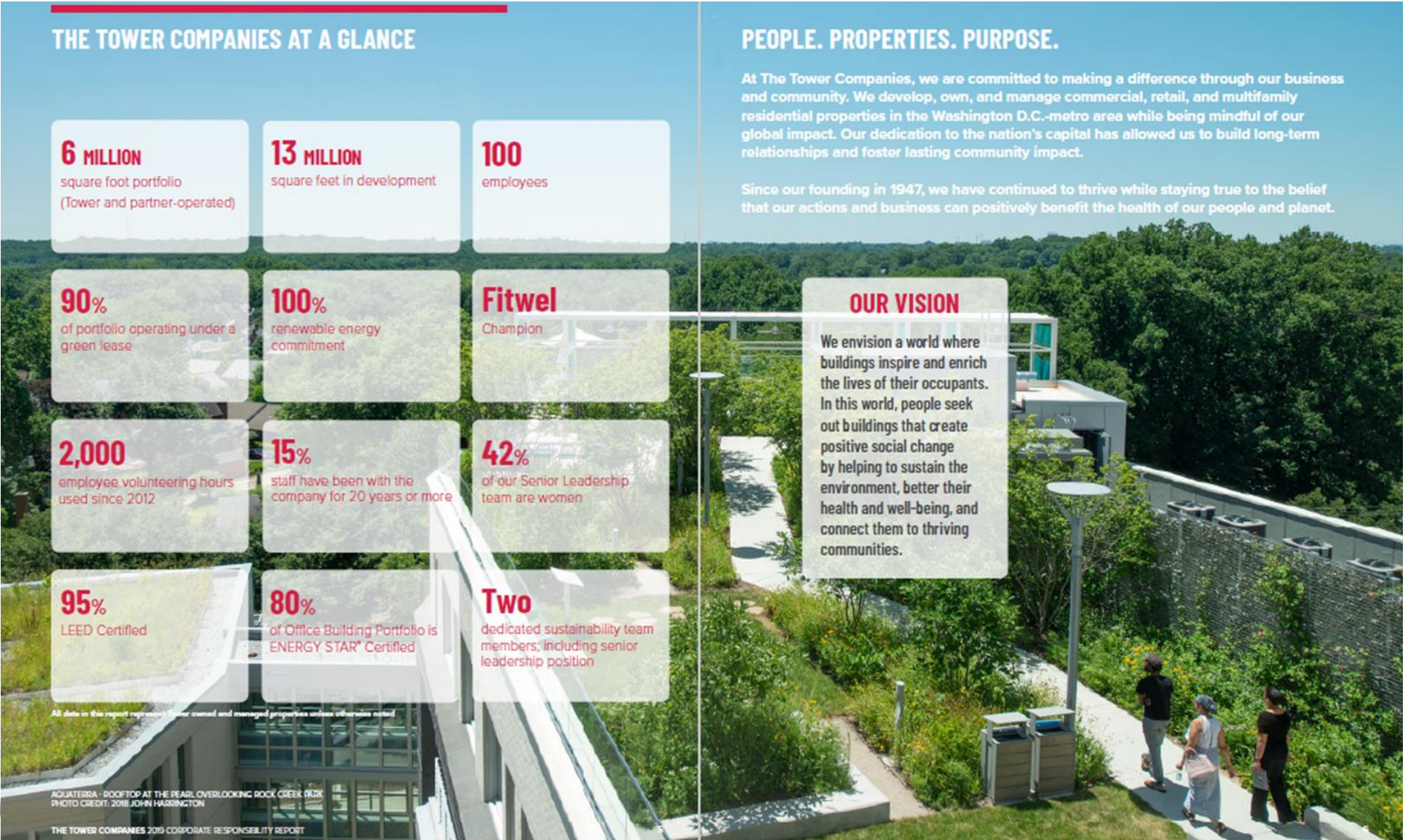
The Value of Green Leasing

January 21, 2021

Jonathan Bauer
Sustainability Manager



Company Overview



Washington, D.C.-Based Portfolio



Our Commitment

At every decision point, we consider our ability to advance the real estate industry, impact on the environment, and commitment to the well-being of people and local communities.



Traditional Commercial Office Lease

Green Lease Categories

- Water Efficiency
- Energy Efficiency
- Materials & Resources
- Indoor Environmental Quality



Types of Requirements

- Design
- Construction
- Operational



Adapting Commercial Green Lease for Multifamily

“Green Leasing” in Multifamily

- Green lease addendum
- Unit turnover checklist
- Sustainability in the leasing process
- Tenant engagement

Tips for Success

- Collaborate with all stakeholders
- Be prepared to educate all parties
- Baby steps – start small
- Be patient and flexible!





Erin Hatcher

AMLI Residential

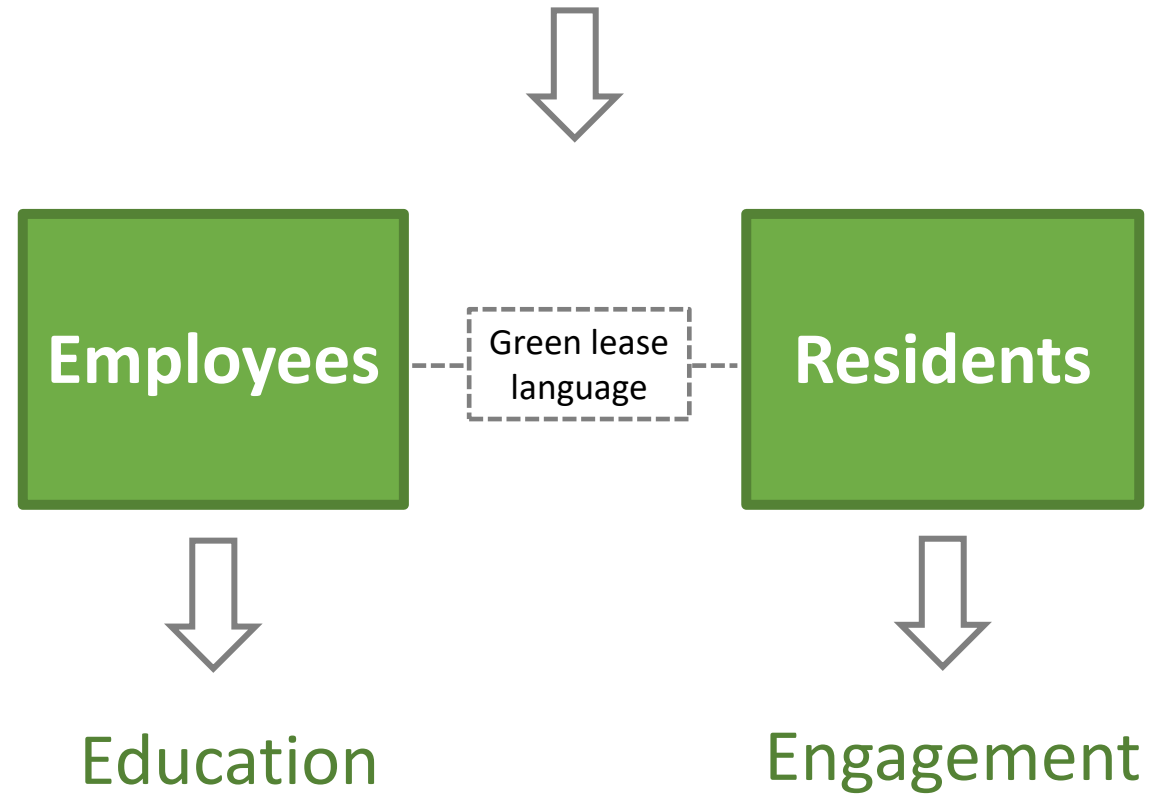




AMLI
RESIDENTIAL

Green Leasing

Green leasing begins well before the resident signs a lease.



Looking Ahead



Our achievements and progress made in 2019 will not slow us down in 2020. We recognize there is so much more we can accomplish. Although we were early adopters of many industry sustainability best practices, we recognize that there are still ways to build upon our previous ESG initiatives and enhance our program to better suit resident and investor needs. AMLI is still working to better curate our long-term ESG goals and program priorities, and as part of our journey, we will focus on ways to continue to have a material and meaningful impact.

We will continue to focus on sustainable building certifications. Our experience with LEED® and ENERGY STAR® certified properties demonstrated their value improving overall sustainability of the asset and in providing best-in-class living experiences for our residents.

We intend to strengthen our purchasing standards. Our findings from the Sustainability Living Index indicate that our residents highly value sustainable living experiences. Purchasing standards allow us to adopt new practices and strengthen existing goals throughout the portfolio.

To better inform our next steps and future long-term ESG goals, AMLI believes in data-based decision making. We are currently working with a third-party consultant to improve our data collection and reporting, with a focus on utility efficiency across our portfolio.

We are excited to continue working together to create a positive AMLI Impact for our residents, stakeholders and the planet.

Improve data collection scope & quality

One of AMLI's ESG goals for 2019 was to increase the health and wellness standards of AMLI communities.

AMLI life is cleaner and healthier. We take pride in integrating health and wellness standards into all our communities to bring an outstanding living environment to residents. In addition to 41 smoke-free apartment communities, AMLI works constantly to ensure that our communities facilitate healthy lifestyles by choosing walkable locations and supporting better air quality.

LEED® certification supports air quality improvements, and our communities are managed to sustain these health benefits long after development. AMLI LEED® communities continue purchasing and installing MERV 8 air filters so fresh air can be brought into resident homes while pollen and other contaminants are left outdoors.

Low-emitting building materials are an integral component of healthy apartment communities. Volatile Organic Compounds (VOCs) are known to decrease occupant comfort and negatively impact indoor air quality. AMLI only purchases carpet that is Green Label Plus certified, which is awarded to the lowest VOC emitting products. To continue improving resident comfort, AMLI approved several purchasing standards this year. By the end of 2020, these standards will result in 85% of

HEALTH & WELLNESS

100%	PURCHASED CARPET IS GREEN LABEL PLUS CERTIFIED
93%	COMPLIANCE FOR LOW- AND NO-VOC PAINTS
74%	COMPLIANCE FOR LOW- AND NO-VOC SEALANTS
60%	SMOKE-FREE COMMUNITIES

60% SMOKE-FREE COMMUNITIES

forward, AMLI will continue working to increase use of no- or low-VOC paints, sealants and adhesives in our communities.

Lease Topics

- Utility data
- Smoke-free living

Employees

Training

What is sustainability?

What makes my community green?

How can I maintain our commitment?

AMLI is a Sustainability Leader

Outstanding Customer Service = Healthy and Efficient Homes

Your Contribution

You can contribute to AMLI's sustainability goals with these initiatives:

Energy Reduction

WaterSense Plumbing Fixtures

Programmable Thermostat

Community Recycling

Smoke-Free Community

Green Cleaning Products

Low-VOC Flooring and Paints

Fresh Air Ventilation

Premium Air Filters

Saving Energy and Water

AMLI only uses LED bulbs in common spaces to help save energy and money.

Cost Over 25 Years

Bulb Type	Life Span	Energy Cost
LED	10 years	\$25 total cost
CFL	8 years	\$40 total cost
Incandescent	1 year	\$100 total cost

60 watt Incandescent

1000 lumens, 100 hours

14 watt CFL

800 lumens, 10,000 hours

12 watt LED

800 lumens, 25,000 hours

Recycling

When too many non-recyclable items are put in a recycling container, the entire contents are sent to the landfill (and not recycled). While we encourage more recycling, it is also important to only place recyclable items in the recycling bin. *When in doubt, throw it out!*

mixed recycling

landfill

Sustainability in Your Role

Make Ready Tech

Why is Clean Air Important?

90% OF TIME IS SPENT INDOORS
2-5x HIGHER INDOORS THAN OUTDOORS
30% OF ALL AMERICANS SUFFER FROM ALLERGIES
8% OF ALL AMERICANS SUFFER FROM ASTHMA

Sources of Bad Indoor Air Quality

- Bathroom** - Showers, plumbing leaks, household cleaners, wastebaskets, drinking cups, damp carpeting and flooring, bacteria and viruses
- Bedroom** - Poor ventilation, dust and dust mites, bacteria and viruses, pet dander, dry cleaning
- Living Area** - Tobacco smoke, furniture, pets, hobby supplies (such as varnishes and glues)
- Kitchen** - Cooking gas, appliances, household cleaning agents, garbage pails, plumbing leaks

The Best Ways to Improve Air Quality

- Keep out sources of air pollution
- Remove pollution from the home
- Bring in clean, fresh air to reduce the harm of any remaining pollution

Sustainable Switch

- Using no or low VOC paint and flooring helps keep irritants out of the home and can improve your working experience.
- Some cleaners pollute the air and can bother people with asthma or allergies. Using a certified green cleaner can create a healthier home and a better work environment for you.
- Employee smoking is prohibited in AMLI's Professional Business Standards. This helps improve the air quality of our units and is better for your health.
- Air filters help capture and remove air pollutants in the home. *Tip: It is important to use air filters that are designed for your HVAC system. Using the right filter helps the equipment last longer and run efficiently.*
- Every community has a different system for bringing clean, fresh air into residents' units. *Tip: Changing air filters quarterly helps keep air fresh and free of pollutants.*





Employees

Marketing

How to talk about the benefits of green living?

What's at my community?

Green Glossary

Feature	Criteria for Use	Benefit
<p>Public Transit Access or Transit Score</p> 	<p>✓ Have one train station within a ½ mile or two bus stops within a ¼ mile of the building. Or, have a Transit Score of 70+.</p>	<p>★ Transit Score 70-89 is "Excellent Transit" and 90-100 is a "Rider's Paradise". Use of transit reduces your carbon footprint.</p>
<p>Walk Score</p> 	<p>✓ Have a Walk Score of 70+.</p>	<p>★ Walk Scores of 70-89 "Very Walkable" and 90-100 is a "Walker's Paradise". Walkable areas encourage walking which reduces your carbon footprint.</p>
<p>Fresh Air Ventilation</p> 	<p>✓ All units have mechanical ventilation that brings outside air into the units.</p>	<p>★ Active ventilation improves indoor air quality which helps improve resident's health and comfort.</p>
<p>Premium Air Filters</p> 	<p>✓ All units use MERV 8 air filters. Air filters are changed quarterly.</p>	<p>★ Premium air filters improve indoor air quality by catching air contaminants such as dust or pollen.</p>

Residents



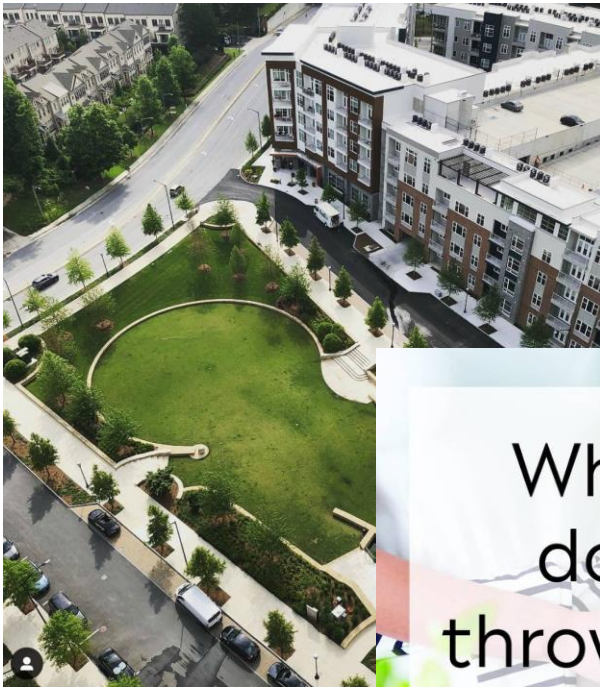
Green Living

What green features are at my community?

How do I use them?

What's the benefit?

Residents



amliapts • Following
AMLI Buckhead

amliapts "Nature surrounds us, from parks and backyards to streets and alleyways. Next time you go out for a walk, tread gently and remember that we are both inhabitants and stewards of nature in our neighborhoods." – David Suzuki
@amlibuckhead #livelifelovelifelife

4w



amliapts • Following
Planet Earth

amliapts When wrong materials are placed in recycling containers it challenges the recycling industry. ♻️ To make sure you know what can be recycled at your community we have signage near trash and recycling containers. 🌱 And remember when in doubt, throw it out. #livelifelove #sustainableliving #recycling

27w

Liked by jones_collette and 19 others

JULY 9, 2020

Add a comment...

Post

Green Living

What's new? What's next?

AMLI Residential Releases Results of 2020 Sustainable Living Index

Fourth national survey found residents place an increased value on healthy building features in their apartment communities in the wake of COVID-19

RANKING OF SUSTAINABLE FEATURES



FRESH AIR
INITIATIVES



FINANCIAL
SAVINGS
FROM EFFICIENT FEATURES



SMOKE-FREE
LIVING



WALKABLE, BIKABLE &
PUBLIC TRANSIT
ACCESS



HEALTHY
BUILDING
MATERIALS



GREEN
COMMUNITY
AMENITIES

Check out AMLI's first Corporate Responsibility Report at
[AMLI.com/sustainability](https://www.amlirentals.com/sustainability)

AMLI
RESIDENTIAL



Engage by listening!



Q&A



Contact Us!



Emily Pierce

Urban Land Institute

emily.pierce@uli.org

<https://tenantenergy.uli.org/>



Erin Hatcher

AMLI Residential

ehatcher@amli.com

<https://www.amli.com/sustainability>



Jonathan Bauer

The Tower Companies

jonathan.bauer@towercompanies.com

<https://towercompanies.com/>



Andrew White

RE Tech Advisors

awhite@retechadvisors.com

<https://www.greenleaseleaders.com/>